

**COLUMBIA FALLS ALUMINUM COMPANY**

P.O. Box 10  
Columbia Falls, Montana 59912  
Telephone 406 892-3261

January 4, 1987

Atlantic Richfield Company  
515 South Flower Street  
Los Angeles, CA 90071

Attention: Corporate Secretary

Gentlemen:

Ref: Acquisition Agreement Dated September 10, 1985  
Between Montana Aluminum Investors Corp. and  
Atlantic Richfield Company

In accordance with the referenced Acquisition Agreement, section 13(c), we are providing ARCO the following notice:

We recently had a visitation by EPA personnel which could potentially involve ARCO in the future. The attached memorandum details the visit.

EPA approached us by telephone on December 15, 1987, requesting to see "potential hazardous waste disposal areas" centering on how we handle liquid and solid wastes. We agreed, having no reason at that time to believe their visit would involve ARCO. When they visited on December 17, the discussion was mainly centered on past practices and closed disposal sites, with very little interest shown to current practices. Since all closed sites at Columbia Falls relate to Anaconda/ARCO, we believe we should keep you informed as this matter progresses as per sections 10(c) and 10(d) of the Acquisition Agreement.

Furthermore, per section 10(a)(iii), we will look to ARCO to indemnify MAIC and CFAC for any expenses from this matter which result from conditions in existence prior to September 10, 1985.

Since we have dealt with Mr. John R. Lucas, of your Legal Department, in the past on environmental matters, we have taken the liberty of sending him a copy of this letter.

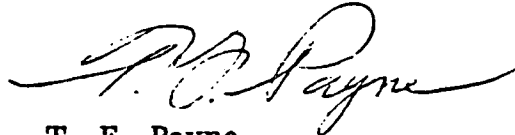
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J. R. LUCAS, JR.

If ARCO requests further information or desires to become more involved at this point in time, please do not hesitate to contact us.

Sincerely,



T. F. Payne  
Technical Manager

TFP/rb

Enclosure

mcs: B. Duker  
J. Broussard  
L. Smith  
D. Ryan  
S. Kaleczyc  
J. R. Lucas, ARCO Legal/L.A.